Manitoba

Annual Report 1986 - 87

The Public Trustee

Manitoba

The Attorney General

Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour
Dr. George Johnson
Lieutenant-Governor of Manitoba
Room 235, Legislative Building
450 Broadway
Winnipeg, Manitoba
R3C 0V8

May it please your Honour:

It is my pleasure to present to your Honour the Annual Report of the Public Trustee for the fiscal year ending March 31st, 1987.

Yours truly,

Hon. Jim McCrae
Attorney General

Manitoba

Public Trustee

7th Floor
Woodsworth Building
405 Broadway
Winnipeg, Manitoba, CANADA
R3C 3L6

Report to:
File #:
Telephone:

The Honourable The Attorney General
Government of Manitoba
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Attorney:

In terms of the provisions of Section 13.2 of The Public Trustee Act, I submit this Fifth Annual Report for the period ending March 31st, 1987.

The Report of the Provincial Auditor dated October 30th, 1987 is attached hereto as Appendix "A".

Yours truly,

J. D. Raichura, Q.C.
Public Trustee

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General Observations

The trend continues. Once again, all segments of the office functions experienced increases during the period of the report. The value of total assets under administration increased to $83,718,200.00 from $78,704,500.00, an increase of 6.4%. Revenue was up 12.02%, as indicated in the Revenue/Expenditure profile. The Common Fund, the principal investment vehicle of the office, stands at $67,182,224, up from $58,182,325, an increase of 15.5%. The increase in the number of estates in the Mental Health and Estates and Trusts accounts were 5.8% and 3.8% respectively. The revenue, as will be noted has experienced a large gain. Expenditure, on the other hand, increased marginally from $1,691,300.00 to $1,773,300.00 due to the general increase in salaries.

Office Overview

During 1987, pursuant to a special authorization of the Treasury Board, four staff positions on term basis were made available to the office. These additional resources were allowed on the understanding that the Department conduct a review of the Public Trustee's operation for the purpose of determination of the actual resource needs of the operation.

In November, 1987, the Planning, Research and Evaluation Branch of the Department completed the study and submitted its report to the Attorney-General. The report took several months to prepare. Its author conducted personal interviews with some of the key people in the office and made his own observation of the various matters under administration. The report is presently under consideration by the Department and therefore a decision on its findings is expected shortly.

Powers of Attorney

The previously reported policy decision not to accept any powers of attorney has been changed. This change was necessitated by the urgency and seriousness of the cases. The donors of these powers had simply no one to turn to. It was a difficult judgment call. Because the underlying function of the office is to provide needed public service, these cases were taken on, in spite of the fact that the office resources are stretched.

Financial Abuse

These cases continue to come in at regular pace, resulting in substantial involvement of the legal department. Aside from the normal complications of these matters, there is the additional difficulty of lack of evidence from the victim of the abuse, because of mental disability. These cases have to be carefully assessed and proceeded with on the basis of other supporting evidence.

There were 25 cases of suspected abuse reported during the year.

Welcome Home Program

Approximately two hundred of the persons for whom the office is constituted committee have been moved from The Manitoba Developmental Centre to communities throughout the Province pursuant to the Welcome Home Initiative. As the quality of these persons' lives has become enriched by the increased opportunities available to them as members of their communities, the administration of their affairs has become more complicated and challenging for the office. These new challenges are welcome as they are met with the conviction that the efforts made are worthwhile and rewarding, both to the receiver and giver.

The Public Trustee of Manitoba

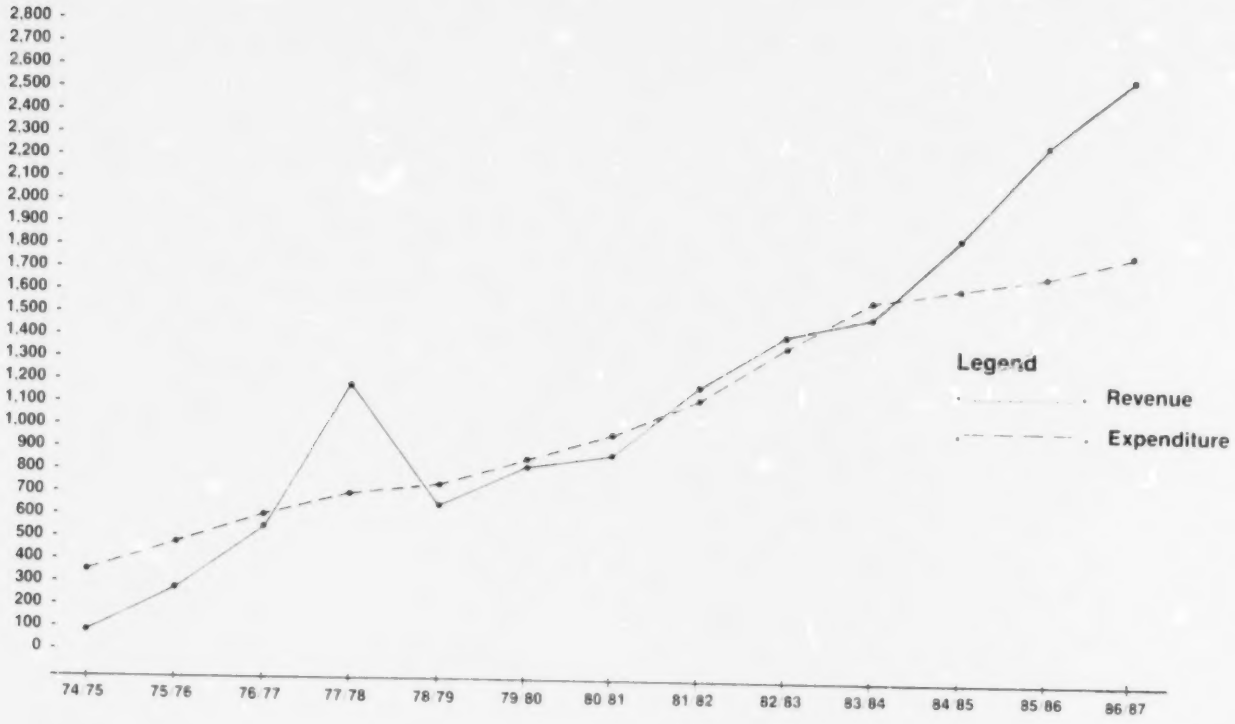
Dimensions

1986-87

Staff complement	55
Revenue:	2,566,900.00
Expenditure:	1,773,263.00
Assets under administration:	83,718,227.00
Number of Estates, Trust and Legal Files:	7206

The Public Trustee of Manitoba
Department of Attorney-General

Revenue/Expenditure Profile



Year	Revenue	Expenditure	Revenue as % of Expenditure
1980/81	885.8	973.2	90.8 %
1981/82	1,170.5	1,142.3	102.5 %
1982/83	1,364.2	1,336.0	102.1 %
1983/84	1,470.1	1,522.6	96.55%
1984/85	1,853.4	1,623.4	114.17%
1985/86	2,291.5	1,691.3	135.49%
1986/87	2,566.9	1,773.3	144.75%

Note: Expenditures reflect salary and certain operating costs. They do not contain costs pertaining to office space, direct employee benefits and central services such as payroll and personnel.

The Public Trustee of Manitoba

Trust Division Activity

As at March 31

	1984	1985	1986	1987
Dollars under Administration	$19,709.7	$20,971.7	$24,056.0	$25,385.5
Number of Accounts				
Deceased Estates:	759	739	747	783
	887	893	945	974
	1646	1632	1692	1757

The Public Trustee of Manitoba

Mental Health Division Activity

As at March 31

	1984	1985	1986	1987
Dollars under Administration	$42,288.8	$50,229.0	$54,464.0	$57,815.8
Number of Accounts with Assets:	3083	3163	3206	3244
Total Number of Accounts:	4816	4784	4738	5013

The Public Trustee of Manitoba

Legal Department Activity

As at March 31

	1984	1985	1986	1987
Number of files at beginning of year:	326	364	431	482
Number of files opened:	344	322	375	355
	670	686	806	837
Number of files closed:	306	255	324	401
Number of files at year end:	364	431	482	436

Manitoba

The Public Trustee of Manitoba

Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1987 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

October 30, 1987,
Winnipeg, Manitoba.

F. H. Jackson, C.A.,
Provincial Auditor.

Exhibit A
Government of the Province of Manitoba
The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration

as at March 31, 1987
(with 1986 figures for comparison)

Assets

	1987	1986
Cash on hand and in bank:		
General	$ 316,692	$ 1,157,893
Accountable advance	401,495	2,661
	718,187	1,160,554
Expenditures recoverable from estates and trusts (Note 2(a))	7,678	4,839
Common fund investments (Notes 2(b) and 7)	67,182,224	58,182,325
Term deposits, investment certificates and treasury bills, at par value	2,079,433	2,658,306
Government of Canada and other bonds, at par value	8,139,089	10,425,653
Shares of capital stock and mutual funds (Note 2(c))	2,247,412	2,341,064
Annuity contracts (Note 2(d))	2,242	95,214
Accounts receivable (Note 2(e))	100,962	103,339
Rentals receivable (Note 2(e))	2,200	952
Notes receivable, principal (Note 2(f))	121,171	176,242
Mortgages and agreements receivable (Note 2(f))	70,040	67,974
Interests in other estates (Note 2(g))	3,546	6,075
Real estate (Note 2(h))	3,044,043	3,481,979
	$83,718,227	$78,704,516

Liabilities

Liabilities of estates:		
Mortgages, notes and agreements payable (Note 2(i))	$ 88,892	$ 163,435
Public Trustee, fees payable (Note 3)	18,780	13,579
	107,672	177,014
Government of the Province of Manitoba:		
The Public Trustee accountable advance	10,000	7,500
Administrative fees payable (Note 2(B))	399,173	—
	409,173	7,500
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	57,815,836	54,464,014
The Public Trustee Act	25,385,546	24,055,988
	$83,718,227	$78,704,516

Exhibit B
Government of the Province of Manitoba
The Public Trustee of Manitoba

Statement of Cash Receipts and Disbursements

for the year ended March 31, 1987
(with 1986 figures for comparison)

Receipts	1987	1986
Funds held by estates and trusts brought under administration	$ 7,923,254	$ 6,162,850
Realization of equities in other estates	924,642	863,093
Pensions, compensation and assistance	10,260,995	9,337,978
Sickness, disability and other insurance benefits	1,261,796	1,368,079
Collections on account of:		
Accounts receivable	56,082	95,458
Rentals and leases receivable	178,294	216,027
Mortgages and agreements receivable	31,079	38,965
	265,455	350,450
Sale of chattels	86,563	129,537
Sale of real estate	1,406,634	1,016,163
Interest — bonds and investment certificates	8,290,239	8,216,717
Dividends	114,454	108,453
Bank interest	70,222	61,547
Statutory fees collected (Note 4)	28,047	7,073
Total receipts, before sale or redemption of securities	30,632,301	27,621,940
Sale or redemption of securities (Note 8)	50,571,608	71,697,052
Cash on hand and in bank at beginning of year	1,157,893	433,247
	$82,361,802	$99,752,239

Disbursements	1987	1986
Payments on account of:		
Accounts payable discharged	$ 156,457	$ 270,517
Mortgages and agreements payable	119,687	94,559
Real estate purchases	30,435	7,479
	306,579	372,555
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	141,582	139,368
Board, room and other expenses (Note 5)	10,653,019	8,195,475
	10,794,601	8,334,843
Preservation of estates:		
Realty and income taxes	843,547	921,026
Insurance	46,877	39,228
Repairs	66,600	73,721
Sundry	597,531	583,882
	1,554,555	1,617,857
Support of dependents	72,524	67,999
Administration and passing of accounts (Note 3)	2,602,893	2,278,834
Burial expenses	556,057	520,499
Estates and trusts released from administration	8,454,163	7,965,884
Statutory fees remitted (Note 4)	28,047	7,073
Total disbursements, before purchase of securities	24,369,419	21,165,544
Purchase of securities (Note 8)	57,675,691	77,428,802
Cash on hand and in bank at end of year	316,692	1,157,893
	$82,361,802	$99,752,239

Government of the Province of Manitoba
The Public Trustee of Manitoba

Notes to Financial Statements

March 31, 1987

1. **Role and Objective**

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2 **Significant Accounting Policies**

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. **Assets**

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings.

B. **Liabilities**

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) **Expenditures Recoverable from Estates and Trusts**

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of the Attorney-General, Province of Manitoba.

b) **Common Fund Investments**

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) **Shares of Capital Stock and Mutual Funds**

(i) **Mental Health and Infant Trusts**

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) **Estates of Deceased Persons**

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1.00 are used.

Notes to Financial Statements

March 31, 1987

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $2,247,342 (1986 — $2,340,963), with the balance of the account representing share certificates of a nominal value of $1.00 each.

d) **Annuity Contracts**

Determinable receivables amount to $1,885 at March 31, 1987 (1986 — $94,884), with the balance of the account represented by receivables recorded at a nominal value of $1.00 each.

e) **Accounts Receivable and Rentals Receivable**

Determinable accounts receivable and rentals receivable amount to $102,533 at March 31, 1987 (1986 — $103,694), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1.00 each.

f) **Notes, Mortgages and Agreements Receivable**

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) **Interests in Other Estates**

Determinable interests in other estates amounts to $3,492 at March 31, 1987 (1986 — $6,018), with the balance of the account represented by interests in other estates recorded at a nominal value of $1.00 each.

h) **Real Estate**

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to $3,043,726 at March 31, 1987 (1986 — $3,481,684); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of $1.00 each.

i) **Mortgages, Notes and Agreements Payable**

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. **Administration Fees**

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

4. **Statutory Fees**

Under Section 3.2(3) of The Public Trustee Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administration. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. **Board, Room and Other Expenses**

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

Notes to Financial Statements

March 31, 1987

6. **Administration Costs**

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. **Common Fund — Summary of Investments**

The investments of the Common Fund consist of the following:

	1987 Par Value	1987 Book Value	1986 Book Value
Term deposits and investment certificates	$ 8,600,000	$ 8,600,000	$13,600,893
Government of Canada bonds	34,390,000	34,768,415	33,006,669
Province of British Columbia bonds	1,350,000	1,404,661	—
Province of Manitoba bonds	4,350,000	4,387,218	4,144,997
Province of Ontario bonds	1,900,000	1,897,925	1,896,027
Ontario Hydro-Electric bonds	14,230,000	14,891,816	4,836,889
Federal Business Development Bank	500,000	533,225	—
Federal Business Development Bank Euro-Canadian debentures	700,000	698,964	696,850
	$66,020,000	$67,182,224	$58,182,325

8. **Comparative information**

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1987.